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Egypt

Oilseeds and Products Annual

Demand Continues to Grow

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Report Highlights:

Egyptian oilseed production forecast to increase in 2011/2012 as farmers plant more cotton. Production of both cotton and soybean meal and oil is also forecast to increase as a result of the expected increase in the production of cotton and imports of soybeans. Despite the current economic crisis, imports of soybeans will continue to increase as soybean oil is considered to be the cheapest vegetable oil for most of the Egyptian population. Demand for soy meal has weakened somewhat following the January 25 revolution, but is expected to recover with increased poultry, egg and aquaculture production.

Production:
Area Planted and Yields

Cottonseed, by far, continues to be the major oilseed crop in Egypt. Soybeans and sunflower are the other oilseed crops. In MY 2010/11, while sunflower seed area remained unchanged from MY 2009/10 at 3,000 HA, soybean area decreased to 11,000 HA from 12,000 HA. In MY 2011/12, sunflower area is expected to continue at the same level as in 2010/11 while soybean area is expected to decline to about 10,000 H.A due to more farmers shifting to wheat.

Both cotton area and cottonseed production increased in MY 2010/11. For 2011/12, both cotton area and cottonseed production are expected to increase further or by 35 percent. This expected increase is mainly attributed to the increase in both world and local market prices for cotton and decreased rice area during the previous two seasons.

Oil Meals

Production

In MY 2010/11, cottonseed meal output is expected to be about 32 percent over than the MY 2009/10 level. This increase came as a result of an increase in cotton area and production. A further increase in cottonseed meal production in MY 2011/12 is expected due to an anticipated larger cotton area and production, driven by high cotton prices.

In MY 2010/11, soybean meal production is expected to increase to 1,448,000MT from 1,300,000 in MY 2009/10. A further increase in soybean meal production is expected in 2011/2012 as soybean imports are forecast to increase. This is mainly due to an increase in soybean imports for crushing. Sunflower meal production is forecast to remain at current levels.

Oil Production

The major edible oil produced in Egypt is soybean oil. In MY 2010/11, domestic production is expected to increase to 311,000 MT from 290,000 MT in MY 2009/10, due to the increase in soybean imports. In MY 2010/11, cottonseed oil production is expected to increase to 28,000 Mt from 21,000 MT in MY 2009/10, due to the increases in cotton area and production. In MY 2010/11, sunflower oil production was unchanged from 2009/10 level, and it is expected to remain at the same level of 5,000 MT for MY 2011/12.

Consumption:
Meal Consumption

In MY 2007 Egypt's oil meal consumption is estimated to be driven by renewed demand from the livestock and poultry sectors as well as the fast growing aquaculture sector. The poultry sector, which was badly affected by outbreaks of avian influenza, is slowly starting to recover. That improvement in the sector should contribute to a higher demand on soybean meal in 2011/2012. Most soybean meal is utilized in poultry rations, while cottonseed cake and to some extent sunflower meal are used in livestock feed. The aquaculture industry also is beginning to expand and modernize, and many farms have begun using high quality feed rations based on protein meals, primarily soybean meal.

In MY 2010/11, total vegetable oil consumption increased by about 11 percent from the MY 2009/10 level. In MY 2010/11, both cottonseed oil and sunflower oil consumption increased by 33 percent, soybean oil increased by 13 percent. Palm oil decreased by about 4 percent. soybean oil consumption increased by 10 percent. The increase in total oil consumption was partly due to the increase in the number of persons eligible to receive subsidized vegoil through the ration card program, which now covers some 63 million persons. According to the source in the trade, consumption of palm oil slightly decreased from 660,000 MT in MY 2009/10 to 630,000 MT in MY 2010/11, mainly due to its increase in its price. Palm stearin is imported mainly as a substitute for tallow in the manufacture of soap. A portion of the vegetable oil consumption in Egypt is subsidized and distributed through a ration card system. Ration card holders are allowed only 0.50 Kg./person/month at a subsidized price of LE 0.50. In addition to that another 1.5 kg at LE 4.5 per kg is allowed. The average price for oil marketed by private producers ranges from LE 12/l. to LE 15/l. Because of its relatively low price, palm oil continues to maintain its competitive position with other imported oils for both human consumption and industrial use.

Vegetable Oil Availability

	2009/10	2010/11	2011/12
Imported			
Soya	245	300	300
Sunflower	370	510	550
Palm	560	600	650
Total	1,175	1,410	1,500
Local Production			
Soya	290	311	317
Cotton	21	28	37
Sunflower	1	1	1
Total	312	340	355
Grand			
Total	1,487	1,750	1,855

Trade:

Trade and Price

In MY 2010/11, the U.S. market share in the soybean import market expected to reach about 64 percent, compared to 43 percent in CY 2009/10. The current average price for soybeans imported is $540 per MT/CIF. This is compared to $380 per MT/CIF during the last half of MY 2010.

Cottonseed imports are prohibited. Egypt has not imported any sunflower seed in the past three years and is not expected to import any next year. In MY 2010/11, Egypt is forecast to import 1,850,000 MT of soybeans, compared to 1,623,000 MT in MY 2009/10. Soybean imports are expected to increase further in MY 2011/12. This expected increase in imports is mainly due to the increased demand on both oil and meal, also due to increasing crushing capacity for soybeans at crushing facilities.

Soybean meal continues to be the major meal imported into Egypt. In MY 2010/11, total soybean meal imports were 450,000 MT, or about 8 percent higher than the MY 2009/11 level. In MY 2009/10 Brazil and India captured most of the Egyptian market with small imports from the U.S. In CY 2011/12, soybean meal imports are expected to be about the same level as the previous year. U.S. soybean meal is currently imported at $480per MT C&F for 44 percent protein, compared to $460 per MT C&F from South America.

In MY 2010/11, total edible oil imports increased by 22 percent compared to MY 2009/10. While, soybean oil imports increased to 609,000 MT from 535,000 MT, palm oil decreased to 630,000 MT from 660,000 MT, sunflower oil also increased from 383,000 MT to 512,000 MT. In MY 2011/12, total edible oil imports are expected to increase by 23 percent. In CY 2009/10, public sector companies imported 20 percent of the total vegetable oil that came into the country, and the remaining share was imported by private sector companies. Crude sunflower oil is currently being imported at $1,850 per MT C&F, compared to an average of $1,250 per MT C&F during 2010. The current C&F price for crude soybean oil is $1,100 per MT C&F, compared to an average price of $750 per MT during the same period in 2009. The current import price for palm oil is $950 per MT, compared to $850 per MT during 2010.

Tariffs

The current tariff rate for soybeans, sunflower seed, linseed, palm kernel, and sesame seed, is zero.

Oilseed meal and cake extracted from vegetable oilseeds are subjected to an import duty of 5 percent, plus 2 percent port charges.

Tariffs on imported seed oils are as follows:

- Import tariffs on bulk crude and refined soybean, sunflower, cotton and palm oil are Zero.
- Tariffs on packed refined soybean, sunflower, cotton and palm are varying between 2 and 5 percent.

Production, Supply and Demand Data Statistics:

Oilseed, Cottonseed Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (Cotton)	250	119	250	155		210
Area Harvested (Cotton)	117	119	117	155		210
Seed to Lint Ratio	6,800	6,800	6,800	6,800		6,800
Beginning Stocks	4	4	3	4		2
Production	140	136	140	177		240
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	144	140	143	181		242
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	138	132	138	175		235
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	3	4	3	4		4
Total Dom. Cons.	141	136	141	179		239
Ending Stocks	3	4	2	2		3
Total Distribution	144	140	143	181		242

Meal, Cottonseed Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jun 2009		Market Year Begin: Jun 2010		Market Year Begin: Jun 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	138	132	138	175		235
Extr. Rate, 999.9999	0.	0.4545	0.	0.4514		0.4468
Beginning Stocks	0	0	0	0		0
Production	64	60	64	79		105
MY Imports	5	0	5	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	69	60	69	79		105
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	69	60	69	79		105
Total Dom. Cons.	69	60	69	79		105
Ending Stocks	0	0	0	0		0
Total Distribution	69	60	69	79		105

Oil, Cottonseed Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jun 2009		Market Year Begin: Jun 2010		Market Year Begin: Jun 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	138	132	138	175		235
Extr. Rate, 999.9999	0.	0.1591	0.	0.16		0.1574
Beginning Stocks	0	0	0	0		0
Production	22	21	22	28		37
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	22	21	22	28		37
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	4	3	4	4		3
Food Use Dom. Cons.	18	18	18	24		34
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	22	21	22	28		37
Ending Stocks	0	0	0	0		0
Total Distribution	22	21	22	28		37

Oil, Soybean Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1,635	1,635	1,744	1,834		1,866
Extr. Rate, 999.9999	0.	0.1774	0.	0.1696		0.1699
Beginning Stocks	10	10	10	10		12
Production	292	290	312	311		317
MY Imports	253	245	250	300		300
MY Imp. from U.S.	13	13	15	10		10
MY Imp. from EU	5	0	5	0		0
Total Supply	555	545	572	621		629
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	10	10	12	14		15
Food Use Dom. Cons.	535	525	550	595		604
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	545	535	562	609		619
Ending Stocks	10	10	10	12		10
Total Distribution	555	545	572	621		629

Meal, Soybean Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1,635	1,635	1,744	1,834		1,866
Extr. Rate, 999.9999	1.	0.7951	1.	0.7895		0.7905
Beginning Stocks	81	69	96	60		12
Production	1,300	1,300	1,400	1,448		1,475
MY Imports	400	250	410	450		460
MY Imp. from U.S.	92	92	95	36		50
MY Imp. from EU	0	0	0	0		0
Total Supply	1,781	1,619	1,906	1,958		1,947
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	1,685	1,559	1,810	1,946		1,932
Total Dom. Cons.	1,685	1,559	1,810	1,946		1,932
Ending Stocks	96	60	96	12		15
Total Distribution	1,781	1,619	1,906	1,958		1,947

Oilseed, Soybean Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	14	12	14	11		10
Area Harvested	13	12	13	11		10
Beginning Stocks	44	44	26	26		30
Production	32	27	32	24		25
MY Imports	1,623	1,623	1,750	1,850		1,870
MY Imp. from U.S.	920	1,131	1,000	1,130		1,135
MY Imp. from EU	0	0	0	0		0
Total Supply	1,699	1,694	1,808	1,900		1,925
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	1,635	1,635	1,744	1,834		1,866
Food Use Dom. Cons.	18	13	19	14		13
Feed Waste Dom. Cons.	20	20	20	22		21
Total Dom. Cons.	1,673	1,668	1,783	1,870		1,900
Ending Stocks	26	26	25	30		25
Total Distribution	1,699	1,694	1,808	1,900		1,925

Oilseed, Sunflowerseed Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3	3	3	3		3
Area Harvested	3	2	3	2		2
Beginning Stocks	0	0	0	0		0
Production	5	5	5	5		5
MY Imports	30	0	30	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	35	5	35	5		5
MY Exports	4	0	3	0		0
MY Exp. to EU	3	0	3	0		0
Crush	30	5	30	5		5
Food Use Dom. Cons.	1	0	2	0		0
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	31	5	32	5		5
Ending Stocks	0	0	0	0		0
Total Distribution	35	5	35	5		5

Meal, Sunflowerseed Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	30	5	30	5		5
Extr. Rate, 999.9999	0.	0.4	0.	0.4		0.4
Beginning Stocks	0	0	0	0		0
Production	15	2	15	2		2
MY Imports	50	150	85	30		20
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	65	152	100	32		22
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	65	152	100	32		22
Total Dom. Cons.	65	152	100	32		22
Ending Stocks	0	0	0	0		0
Total Distribution	65	152	100	32		22

Oil, Sunflowerseed Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	30	5	30	5		5
Extr. Rate, 999.9999	0.	0.2	0.	0.2		0.2
Beginning Stocks	14	17	20	5		4
Production	1	1	1	1		1
MY Imports	480	370	450	510		520
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	495	388	471	516		525
MY Exports	2	0	5	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	473	383	450	512		520
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	473	383	450	512		520
Ending Stocks	20	5	16	4		5
Total Distribution	495	388	471	516		525

Oil, Palm Egypt	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Trees	0	0	0	0		0
Beginning Stocks	222	200	187	100		70
Production	0	0	0	0		0
MY Imports	850	560	850	600		650
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	1,072	760	1,037	700		720
MY Exports	125	0	125	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	135	150	140	130		140
Food Use Dom. Cons.	625	510	675	500		505
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	760	660	815	630		645
Ending Stocks	187	100	97	70		75
Total Distribution	1,072	760	1,037	700		720